

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
UNSTARRED QUESTION NO. 453
ANSWERED ON 06/02/2023

Rising prices of petroleum products

453 # Dr. Kirodi Lal Meena:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government has formulated any plan to deal with the rising prices of petroleum products in the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether it is a fact that the average price of petroleum products have sky rocketed during the last five years, if so, the details thereof; and
- (d) the reasons for the reduction of 10.8 per cent in fuel subsidy as compared to the revised estimates for the financial year 2022?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

(a) to (d): Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. The prices of petroleum products in the country are linked to the price of respective products in the international market. However, prices of Petrol and Diesel have not been increased by public sector Oil Marketing Companies (OMCs) since 6th April 2022.

The Central Government has reduced a Central Excise duty by a total of Rs. 13/ litre and Rs. 16/ litre on petrol and diesel respectively in two tranches in November 2021 and May 2022. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes.

The details of monthly average retail selling prices of petrol, diesel and Retail Selling Price (RSP) of Domestic LPG at Delhi as compared to January, 2018 are as under:

Date	Petrol (Rs./Ltr)	Diesel (Rs./Ltr)
January, 2018	71.38	61.89
January, 2023	96.72	89.62

Date	Retail Selling Price (RSP) of Domestic LPG (Rs./14.2 KG Cylinder)
01 January 2018	741.00
01 January 2023	1053.00

Source: PPAC

The average Saudi CP prices on which the domestic LPG prices are based, increased from US\$ 454/MT to US\$ 693/MT during 2019-20 to 2021-22. During 2022-23 the average Saudi CP has further risen to US\$ 710 /MT till February 2023. However, the Government continues to modulate the effective price to consumer for domestic LPG. The subsidy, as admissible, is credited to the bank account of eligible beneficiaries. In addition, the Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills for year 2022-23. Public Sector Oil Marketing Companies have suffered huge losses on sale of domestic LPG. To compensate these losses, the Government has recently approved a one-time compensation of Rs. 22000 crore to OMCs.

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